

U.S. DEPARTMENT OF ENERGY
**Office of Electricity Delivery and
Energy Reliability**



ENERGY ASSURANCE DAILY

December 29, 2005

Electricity

TXU shuts the 533 MW Unit 4 at its Sandow Plant to Repair Leaking Boiler Tube

In a report filed with Texas regulators on December 29, TXU indicated that it had shut the 533 MW coal-fired unit 4 at its Sandow generation plant in Milam county, Texas to repair a leaking boiler tube. TXU anticipated that the unit would return to service sometime later on December 29.
Reuters 8:20, December 29, 2005.

Overheated Transformer Causes Progress Energy to Shut Crystal River Unit 3

Progress Energy shut the 860 MW unit 3 at its Crystal River nuclear generating station near St Petersburg, Florida when a transformer overheated. A company representative was unable to provide any indication as to the probable duration of the outage.
Bloomberg 9:20, December 29, 2005.

SCE's Unit 4 at its Mountain View Facility in California Enters Test Mode

The new 375 MW gas-fired unit 4 at SCE's Mountain View generating Station entered a test mode on December 28 and is expected to be available for commercial service by the middle of January.
Reuters 21:06, December 29, 2005

OPG's 494 MW Coal-fired Lambton 3 Unit in Ontario Shut Dec. 27

Reuters 21:06, December 29, 2005

Calpine's 333 MW Gas-fired Metcalf Unit in California Shut Dec. 27

Reuters 21:06, December 29, 2005

Petroleum

Imports Push Crude Stocks Higher Despite Increased Refinery Output

According to the latest data from the Energy Information Administration, despite an upturn in refinery production, crude oil stocks increased by 100,000 during the week ending December 23. The unexpected build in crude oil stocks resulted from a jump in imports of 330,000 b/d.
Reuters 11:32, December 29, 2005.

U.S. Lagging as World Refining Capacity Expands

According to a study by consulting firm Woods Mackenzie cited in the Wall Street Journal, world refining capacity is growing rapidly with some 100 projects planned that could add 12 million b/d of capacity by the end of the decade to world capacity. However, the study noted that most of the additional capacity lies outside the United States and analysts noted that could result in increased reliance on imports of refined products.

http://money.cnn.com/2005/12/28/news/international/refinery_investments/

World Refining Capacity Jumped in 2005 – Survey

According to the annual refining survey conducted by Oil and Gas Journal, some 2.7 million b/d of capacity was added to world refining capacity during 2005.

International Oil Daily, December 29, 2005.

Crude Production Ramping Up at Bonga Field in Nigeria

Production is ramping up at Shell's offshore Nigerian Bonga field. Crude flows are projected to reach 170,000 b/d in February, up from the projection for January of just over 107,000 b/d. The field began producing in late November and the first cargoes being offered are for shipment in January.

Reuters 8:05, December 29, 2005.

Update: Nigerian Officials Now Suspect Attacks Responsible for Latest Pipeline Fires

Officials in Nigeria now attribute the series of fires that broke out along an oil pipeline on December 27 to have been "a willful act of destruction." The fires, that have been extinguished, followed attacks by gunmen on two pipelines last week. Security forces in the Delta region have been ordered to a high alert status. Nearly all of Nigeria's oil production comes from the region.

Reuters 10:42, December 29, 2005.

Natural Gas

Williams Files Plans with FERC to Expand Transco in Pennsylvania and New Jersey

Williams Companies announced that the company had filed an application with the Federal Energy Regulatory Commission to increase capacity on its Transcontinental Gas Pipe Line. The \$121 million project would increase capacity by 100 Mcf/d with most of the expansion taking place in Pennsylvania and New Jersey by adding 10 miles of 42 inch line. Williams anticipates once the plans are approved work will begin in early 2007.

<http://www.pennlive.com/search/index.ssf?/base/business/1135765325138480.xml?pnmbiz&coll=1>

Hurricane Recovery Updates

December 15 was the last scheduled hurricane emergency situation report for 2005. Updates on the status of energy infrastructure restoration efforts related to hurricane damage will be posted in the Energy Assurance Daily in this section of the report. For past Gulf Coast Hurricanes situation reports, see the website of the Office of Electricity Delivery and Energy Reliability (OE) of the U.S. Department of Energy at:

<http://www.oe.netl.doe.gov>.

Gulf Coast Shut-in Production Per Day

Ivan vs. Katrina/ Rita vs. Most Recent

	Ivan	Katrina/Rita	Most Recent
Gas (BCF/day)	6.515 65.15% (High- 9/16/04)	9.418 94.18% (High- 8/30/05)	1.954 19.54% (12/29/05)
Oil (bbls/day)	1,410,002 94.00% (High- 9/16/04)	1,564,679 100.00% (High-9/26/05)	410,618 27.37% (12/29/05)

Normal Production in the Gulf Coast is 10 BCF/day of gas and 1,500,000 bbls/day of oil.

Source: U.S. MMS, December 29, 2005

Gulf Coast Shut-in Production Cumulative

Katrina/ Rita vs. Ivan

	Ivan	Katrina/ Rita
Cumulative	9/13/04 - 02/14/05	8/26/05 – 12/29/05
Gas (BCF)	172.259	560.766
Oil (bbls)	43,841,245	108,775,910

Source: U.S. MMS, December 29, 2005

Louisiana In-State Daily Production and Pipeline Update

According to the Louisiana Department of Natural Resources on December 29, onshore crude oil production in southern Louisiana has reached 123,629.65 barrels per day, or 60.86 percent of the region's capacity; natural gas production of 1,614.61 million cubic feet per day, or 72.24 percent of daily capacity in 38 southern Louisiana parishes, has been restored. There are 55 on-shore pipeline operators in the hurricane-affected parishes. As of December 29, 18 operator's facilities were reopened, 21 of the operator's facilities are shut-in, and 16 of the operators experience partial system shut-ins or flow.

<http://dnr.louisiana.gov/>

Other News

Nothing to Report

Energy Prices

	Latest (12/29/05)	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate US \$/Barrel	60.26	58.03	43.36
NATURAL GAS Henry Hub \$/Million Btu	10.07	13.05	6.02

Source: Reuters

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Note: because of the holiday schedule the weekly data will be released on Thursday, December 29, and Thursday January 5.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpst.html

Note: because of the holiday schedule the weekly data will be released after 1:00 pm on Thursday, December 29, and Thursday January 5.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 pm on Thursdays Note: Release date is not affected by the federal holiday schedule.

Infrastructure Security and Energy Restoration Website from ISER/OE/DOE

<http://www.oe.netl.doe.gov>

Updated after 5:00 pm (Mon. thru Fri.) with latest Energy Assurance Daily; previous Energy Assurance Daily and emergency situation reports are also posted on the website.

Note: because of the holiday schedule, there will be no issue of Energy Assurance daily on Monday December 26 or Monday January 2.